

REMARKS

Claims 9, 10, 12, 15-21 and 35 were pending in the application at the time of the Office Action. Claims 9, 10, 12, 15-21 and 35 were rejected under 35 U.S.C. 103. By this response, Applicant has cancelled claims 12 and 15-17 with out prejudice or disclaimer¹, amended claims 9, 10, 21 and 35. Applicant respectfully submits that the amendments to the claims are based in the specification as originally filed and that no new matter has been added. Entry of the claim amendments is respectfully requested. As such, claims 9-10, 18-21 and 35 are presented for the Examiner's consideration in light of the following remarks.

Reconsideration and allowance of the application is respectfully requested in view of the above amendments to the claims and the following remarks. Applicant requests that the Examiner carefully review any references discussed below to ensure that Applicant's understanding and discussion of the references, if any, is consistent with the Examiner's understanding. For the Examiner's convenience and reference, Applicant's remarks are presented in the order in which the corresponding issues were raised in the Office Action.

A. Rejection on the Merits

1. First basis for rejection

Claims 9, 10, 12, 15-21 and 35 were rejected under 35 U.S.C. 103(a) over Admitted Prior Art (APA) in view of case law for the reasons set forth in section 7 of the previous office action mailed 12/30/2008 which in turn refers back to section 9 of the previous office action mailed 7/24/2008. Claims 12 and 15-17 have been cancelled, rendering the obviousness rejection to these claims moot.

The background section of the application discloses a point of sale terminal, which is a transaction device that allows a merchant to perform an electronic financial transaction. The point of sale device is programmed with the merchant's account information e.g. merchant's name or a unique identification number. During the electronic financial transaction, the payer provides the card information such as credit card number and expiration date. (*Application, Para [006 & Para [008]*). The background section further discloses a point of sale terminal that is configured for multiple merchant accounts sharing the device. The individual merchants share

¹ Applicant reserves the right to prosecute any cancelled claim in a subsequent divisional or continuation application.

the same device in a single location wherein the point of sale terminal is programmed with the merchant's account information associated with the multiple merchants. However, businesses with sales representatives who conduct transactions off-site are not benefitted from such point of sale terminal. (*Application, Para [011]*). The office action (mailed on 12/30/2008) on page 6 states that "APA does not appear to explicitly disclose that the merchant information is stored separately from the transaction device and transaction data." Thus, in the prior art, the electronic financial transaction was conducted using a point of sale terminal which is preprogrammed with merchant account information. The cost of purchasing the point of sale terminal is high. (*Application, Para [008] & [009]*).

The transaction device as claimed is operatively coupled with a removable storage device for conducting an electronic financial transaction. The removable storage device is encoded with merchant account information. (*Application, Para [0014] & Para [0015]*). While executing the transaction, the transaction device receives the merchant account information from the storage device and transaction data from a payer. The transaction device as disclosed in the application overcomes the excessive costs of existing financial transaction devices. Further, as the merchant account information is stored separately from the transaction device, therefore different persons acting as merchants can use the same publicly-accessible transaction device. Another advantage of the recited features is that the transaction device allows users to carry out financial transactions more easily. The transaction device, for example, allows a business establishment to receive payment for services, while allowing service provider to receive a tip. (*Application, Para [018], Para [019] & Para [020]*). Significantly, none of the cited art addresses the particular problem posed by the present invention. Thus, even if some elements of the claims may be found in one or more of the references, one of skill in the art would not be motivated to modify the prior art to result in the claims of the present invention.

In striking contrast to the recited features, the background section discloses that the final transaction involves acquiring transaction data only since the merchant account information is pre programmed into the point of sale terminal. (*Application, Para [008]*) Hence, the background section fails to disclose the method for conducting the transaction through a transaction device connected to a removable storage device that stores the merchant account information.

In addition, the claims have been amended to recite that the transaction device is a cellular telephone and that the merchant identifying information is in the form of an SMS ID number. Applicant respectfully submits that the combination of prior art asserted by the Examiner does not teach or suggest each and every element of the claims. Further, with respect to claim 9, none of the prior art cited by the Examiner teach initializing a merchant account in the manner recited.

In view of the foregoing, Applicant requests that the obviousness rejection to claim 9 and claim 35 be withdrawn.

Dependent claims 10 and 18-21 depend from independent claim 9 and thus incorporate the elements thereof. As such, Applicant respectfully submits that claims 10 and 18-21 are distinguishable over the prior art for at least the same reasons discussed above with respect to claim 9 and request that the obviousness rejection with respect to these claims be withdrawn.

2. Second Basis for Rejection

Claims 9, 10, 12, 15-21 and 35 were rejected under 35 U.S.C. 103(a) as being unpatentable over US 2002/004772 A1 to Templeton et al. in view of case law for the reasons set forth in section 8 of the previous office action mailed 12/30/2008 which in turn refers back to section 10 of the previous office action mailed 7/24/2008. Claims 12 and 15-17 have been cancelled, rendering the obviousness rejection to these claims moot.

Templeton discloses systems and methods for verifying a financial instrument or accounts in order to ensure that customer or user attempting to use the financial instrument is the authorized customer/user. The verification is done based on selected details provided by the customer which may vary from one transaction to another, such as, the type of a transaction, the amount of transaction, the merchant name or account used in the previous transaction, etc. (*Templeton, Summary*) When a customer wishes to make a purchase, the merchant implements the verification process. (*Templeton Para [0015]*) Nowhere does Templeton disclose transfer of the transaction data (payer's/customer's credit card information etc.) and merchant account information to an acquirer. There is no mention in Templeton about a transaction device connected to removable storage device programmed with merchant account information for conducting an electronic financial transaction. Hence, Templeton fails to disclose the claimed elements.

Hansmann discloses a method of payment in a purchasing action performed by means of an electronic communication device between a customer and a provider. The customer sends a purchase order to the provider via the electronic communication device by establishing a connection. The provider receives user ID data via a data channel for verifying the customer. (*Hansmann, Para [0020]*) Nowhere does Hansmann disclose a transaction device operatively coupled to a removable storage device. Moreover, there is no mention in Hansmann about transfer of merchant account information and transaction data of customer from the transaction device to an acquirer for executing an electronic financial transaction. Hence, Hansmann fails to disclose the recited features.

In addition, the claims have been amended to recite that the transaction device is a cellular telephone and that the merchant identifying information is in the form of an SMS ID number. Applicant respectfully submits that the combination of prior art asserted by the Examiner does not teach or suggest each and every element of the claims. Further, with respect to claim 9, none of the prior art cited by the Examiner teach initializing a merchant account in the manner recited.

Correspondingly, neither APA nor Templeton nor Hansmann either individually or in combination disclose the recited features. In view of the foregoing, Applicant requests that the obviousness rejection to claim 9 and claim 35 be withdrawn.

Dependent claims 10 and 18-21 depend from independent claim 9 and thus incorporate the elements thereof. As such, Applicant respectfully submits that claims 10 and 18-21 are distinguishable over the prior art for at least the same reasons discussed above with respect to claim 9 and request that the obviousness rejection with respect to these claims be withdrawn.

3. Additional rejections

Further, the Examiner indicated two additional arguments in the Office Action mailed June 9, 2009. First, the Examiner indicated that previous office actions explained how one of skill in the art would have found it obvious to split apart the various transactions into their subsequent sub actions and that there is no novelty in performing those sub actions in various manners as long as the end result remains the same, i.e., the transaction is consummated. The Examiner relied on case law as well as prior art showing that it is known for cell phones to have GSM cards with specific data. See, Office Action, page 2. Second, the Examiner indicated that when a customer requires a refund, the merchant swipes the client's credit card and remits

payment to the card. Accordingly, the credit card would be considered the removable transaction device and the customer considered the merchant. Refund transactions can be performed for any number of customers (merchants). See Office Action page 3.

Applicant respectfully traverses. First, Applicant respectfully submits that the first additional argument is not the appropriate standard for patentability. That is, if performing the sub parts separately is not taught or suggested in the prior art, then a new process of performing the sub parts should be patentable in view of the prior art. Furthermore, Applicant respectfully submits that the claims must be interpreted as a whole. That is, the invention is not simply about splitting apart transactions, it is about the particular recited process for doing so.

Second, the claims have been amended to recite that the transaction device is a cellular telephone and that the merchant identifying information is in the form of an SMS ID number. Applicant respectfully submits that the credit card refund scenario described by the Examiner does not teach or suggest each and every element of the claims. Further, with respect to claim 9, none of the prior art cited by the Examiner teach initializing a merchant account in the manner recited. As such, and in addition to the above, Applicant requests that the obviousness rejections to claims 9 and 35 and dependent claims be withdrawn.

B. Conclusion

In view of the foregoing, Applicants believe the claims are in allowable form.

Applicant notes that this response does not discuss every reason why the presented claims are distinguished over the cited prior art. Most notably, applicant submits that many if not all of the dependent claims are independently distinguishable over the cited prior art. Applicant has merely submitted those arguments which it considers sufficient to clearly distinguish the claims over the cited prior art.

In the event that the Examiner finds remaining impediment to a prompt allowance of this application that may be clarified through a telephone interview, the Examiner is requested to contact the undersigned attorney.

The Commissioner is hereby authorized to charge payment of any of the following fees that may be applicable to this communication, or credit any overpayment, to Deposit Account No. 23-3178: (1) any filing fees required under 37 CFR § 1.16; (2) any patent application and reexamination processing fees under 37 CFR § 1.17; and/or (3) any post issuance fees under 37

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CFR § 1.20. In addition, if any additional extension of time is required, which has not otherwise been requested, please consider this a petition therefor and charge any additional fees that may be required to Deposit Account No. 23-3178.

Dated this 6th day of October 2009.

Respectfully submitted,

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SDJ: vlr